

**Testimony**

**of**

**Former United States Secretary of Agriculture  
John R. Block**

**Thursday, September 14, 2006  
Hearing:**

**“Review of Federal Farm Policy with Former Secretaries of Agriculture”**

**Subcommittee on General Farm Commodities and Risk Management  
Committee on Agriculture  
1300 Longworth House Office Building  
United States House of Representatives  
Washington, D.C.**

Chairman Moran, Ranking Member Etheridge, and members of the Subcommittee, thank you for having this hearing, and for the invitation to testify before the Subcommittee. The first Farm Bill I had the pleasure of working on as Secretary of Agriculture was the 1981 Farm Bill, over 25 years ago. As is the case today, there were many outside factors influencing the shape of that Farm Bill. And if the vote on H.R. 503, the Horse Bill, foreshadows what you and your colleagues will have to contend with on the House Floor, Agriculture has its work cut out for it in the 2007 Farm Bill.

When considering the changes that need to be made in the upcoming reauthorization of the Farm Bill, policy makers need to keep hold of a larger view of policy reform, and resist the temptation to focus on one aspect, or to approach the situation with a singular mind set. It is necessary to remember that farm program reform is an evolutionary process, not a revolutionary one. Sweeping reform cannot be made all at once, but well-thought out, meaningful reform can be made through cooperation and a shared motivation to improve things for all sectors of United States Agriculture.

Currently, some of the major aspects of the agricultural environment shaping Farm Bill reform include global trade, nutrition, energy, conservation, and the budget deficit.

### Global Trade

As a nation, we export approximately 30 percent of the agricultural goods we produce. This fact alone reminds us that we need to be thinking globally when writing this Bill. In addition, the World Trade Organization (WTO) situation places further importance on this mindset. The WTO has ruled that changes need to be made in the current Farm Bill to obtain compliance. To

avoid further WTO challenges, some reform will need to occur. In the case that there is a new WTO agreement, the new bill will look even less like the current one, due to further changes needed for compliance. Spending somewhat less money on farm supports is appropriate, as it is necessary for compliance. No matter what the WTO situation, I do not believe a 1-year or 2-year extension is in the best interest of U.S. Agriculture. We need to take care of our own business, and in the case that there is a new WTO agreement written, we can make necessary adjustments then.

### Nutrition

Nutrition programs, both domestic and U.S. foreign aid, play an essential role in maintaining a strong and healthy United States, while also promoting the U.S. and helping those in need all around the world. Food and nutrition aid lays the groundwork for a stronger, healthier and more educated domestic population, and our foreign nutrition programs work towards turning under-developed nations into future export markets. Agricultural commodities provide nutritious food to our school children and provide emergency foods to those devastated by disasters. Bags of grain shipped to Africa labeled “Gift of the United States” do as much work in building good will as any other type of aid.

### Energy

The agriculture community has always been on the forefront of innovation, and we find ourselves here again to assist the country in solving its energy crisis. Farmers have always sought advancements in renewable energy and fuel due to the fact that high energy prices have a much more direct effect on their businesses than on any other. The increasing need for the use of our agricultural industry as a producer of energy is evident to everyone. Dependence on foreign

sources of energy is detrimental to our nation's security and economic well-being. As much support as possible should be given to this aspect of the Farm Bill. With the advancements that have been made since the last Farm Bill, evidenced both domestically and in other nations, it is obvious that technology in this area has come a long way, and also has a long way to go. Further support of renewable fuel research and development will garner strong support from both the American farmer and the American taxpayer.

### Conservation

I am an avid fan of conservation. The Conservation Reserve Program (CRP) was written when I was Secretary of Agriculture in 1985, and has been improved in subsequent Farm Bills. A renewed emphasis should be put on protecting our natural resources during this reauthorization. The obvious reasons, such as the finite amount of available resources, the toll depletion of these resources takes on the environment, and the need to leave American agriculture in a positive state of affairs for future farmers; and the reasons that are not obvious to us but will be evident to our children and grandchildren; all necessitate investment in efforts to keep the CRP up to date so as to conserve and preserve the environment and our natural resources for future re-use and development. Conservation programs not only help farmers comply with the rules and regulations that are placed on them, but these programs also benefit Americans as a whole.

### Budget Deficit

Current budget constraints will most assuredly affect the size of the pie available for the Farm Bill. As nice as it would be to simply continue increasing all government support for agriculture, current fiscal constraints do not permit us to do that. The budget situation and smaller size of the pie force evaluation of the merits of each program and subsidy, and a resulting organization of

priorities. This is a challenging task, but it is made easier by maintaining a comprehensive mindset. With some creative thought on the part of the industry, we can find ways to reshape these programs to deliver more significant benefit in areas where needed. There are areas in which it is acceptable and may be necessary to spend less, such as in farm supports and disaster assistance. There are other areas that either need a slightly larger piece of the pie than they have received in the past, such as specialty crop producers, research, and rural development; or that simply need continued support with some reform, such as crop insurance.

### Summary

As I mentioned earlier, it is important to approach the reauthorization of the Farm Bill with a mindset that is inclusive of all interests and factors. Farm policy reform is an evolutionary process – gradual change in farm program support to adjust to changing circumstances is good, but revolutionary, abrupt change is risky. While it is important to understand and appreciate the private market role in United States Agriculture, some safety net is still needed to maintain a healthy and vibrant farm economy. It is necessary to recognize that the United States has the largest, safest, most secure food supply in the world. American families spend less than 10 percent of their paycheck on food – the lowest percentage of any developed nation in the world. Spending such a small percentage on food frees up billions of dollars of take-home money to drive the rest of our economy. That is a major contribution by the agriculture community, which should garner the nation's support.

## John R. Block

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Senior Policy Advisor at Olsson, Frank, and Weeda, John Block has dedicated his professional career to the fields of agriculture, food, and health. His accomplishments in agriculture began with the building of a large and successful hog operation in his home state of Illinois where he also served as the Director of Agriculture from 1977-1981. He was tapped by President Reagan to serve as the Secretary of the U.S. Department of Agriculture from 1981-1985, where he played a key role in the development of the 1985 Farm Bill. He was President and Chief Executive Officer of Food Distributors International (formerly National American Wholesale Grocers Association) from 1986-January 2003.

Mr. Block serves on the Board of Directors of The Farm Foundation, Hormel Foods Corporation, and Digital Angel Corp. He is Chair of the Citizens Network for Foreign Affairs Agribusiness Alliance and a member of the Board for the Friends of the World Food Program. He is a Non-resident Senior Fellow with the National Center for Food and Agriculture Policy. John Block is a graduate of the U.S. Military Academy.

#### Areas of Expertise:

Agriculture  
Food and Drug  
Health Care  
Director of Agriculture, Illinois  
1977-1981

#### Education:

U.S. Military Academy

#### Prior Government Positions:

Secretary of the U.S. Department of Agriculture  
1981-1985

#### Professional Associations and Memberships:

The Farm Foundation  
Member of Board of Directors

Hormel Foods Corporation  
Member of Board of Directors

Digital Angel Corp.  
Former Member of Board of Directors

Archer Daniels Midland  
Former Member of Board of Directors

Deere and Company  
Member of Board of Directors

Citizens Network for Foreign Affairs Agribusiness Alliance  
Chairman

Board for the Friends of the World Food Program  
Member

National Center for Food and Agriculture Policy  
Non-resident Senior Fellow

**Committee on Agriculture  
U.S. House of Representatives  
Required Witness Disclosure Form**

House Rules\* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2004.

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Organization you represent (if any): \_\_\_\_\_  
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1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2004, as well as the source and the amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: None Amount: \_\_\_\_\_

Source: \_\_\_\_\_ Amount: \_\_\_\_\_

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2004, as well as the source and the amount of each grant or contract:

Source: None Amount: \_\_\_\_\_

Source: \_\_\_\_\_ Amount: \_\_\_\_\_

Please check here if this form is NOT applicable to you: \_\_\_\_\_

Signature: John R Block

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